



Department
for Education

Academies Annual Report

Academic year: 2014 to 2015

November 2016



Academies Annual Report

Academic year: 2014 to 2015

**Presented to Parliament pursuant to Section 11 of
the Academies Act 2010**

by the Secretary of State for Education

**Ordered by the House of Commons to be printed
on 29 November 2016.**

HC 749



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Print ISBN 9781474132053

Web ISBN 9781474132060

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office.

ID P002807618

Printed on paper containing 75% recycled fibre content minimum

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1. Foreword by the Secretary of State

We want to build a country that works for everyone. Central to this goal is education and providing a good school place for every child.

Our continued reforms provide for a diverse school system, including academies, free schools and university technical colleges (UTCs), that play an important role in meeting this goal.

Our reforms, since 2010, show that greater freedom in the hands of excellent leaders and outstanding teachers can deliver an excellent education.

In the first annual report from the academic year 2010/11, the Government presided over an academies programme consisting of 203 open academies. Five years later and academy status continues to be popular. As of 1 November 2016, there are 6,272 open academies, free schools UTCs and studio schools in England. In total, around two thirds of secondary schools and a fifth of primary schools have become academies.

The number of free schools also continues to increase, with 56 new free schools, university technical colleges and studio schools opening their doors in September 2016. There are now 431 open free schools (including UTCs and studio schools) in England. These pioneering schools are providing increased number of school places where they are needed, offering greater choice for parents and raising standards across the board. More than two-thirds of free schools are rated good or outstanding by Ofsted.

The 2015 results showed that attainment in converters continues to remain above the national average in both primary and secondary schools. Over the 2014/15 reporting period (1 August 2014 to 31 July 2015), 88% of converter academies were rated as good or outstanding.

I am also pleased to report that more schools than ever are choosing to convert as part of a multi-academy trust (MAT), giving greater opportunities to spread this expertise and to support sustainable improvement, with clear accountability.

When a school is underperforming and does not have the capacity to improve, it is important that swift action be taken. That is why, in September 2014, eight regional schools commissioners (RSCs) were appointed across eight regions of England. Each RSC is supported by a headteacher board (HTB) and overseen by the National Schools Commissioner, Sir David Carter.

In some cases it is not just individual schools that are underperforming. We know that there are areas of the country which are at risk of falling behind. Raising

educational standards in these areas is particularly important, to improve social mobility and break the link between a child's social background and their success in life. For too many children, the chance of getting the best start in life depends not on their talent or hard work but where they live or how much money their parents have. This is why I have announced that ten areas in England will be given priority access to a package of education programmes, to support young people from nursery school through to the world of work. I have already announced the creation of six new Opportunity Areas, to drive action where social mobility is weakest. We will involve the whole education community in these areas, from early years to employment, focussing local and national resources on them. Significant additional funding has been announced for Opportunity Areas.

Within a diverse schools system, academies, led by strong sponsors, have a key role to play in the Opportunity Areas by sharing their expertise and experience and helping to develop new capacity.

We will continue to put in place the necessary reforms to set high expectations for every child: putting decision-making responsibilities and accountability into the hands of our best leaders and teachers and ensuring that institutions can collaborate and access the support they need to succeed.

Rt Hon Justine Greening MP

Secretary of State for Education

2. Preface: National Schools Commissioner

The academies programme is an important part of this Government's vision for a world-class education system. Academy status can create the opportunity to free the best heads and teachers to innovate, to raise the bar and to do what it takes to compete with the best schools, not just in England, but across the world. For the leaders and teachers in academies across England, this is an opportunity to improve standards and improve the life chances of our most vulnerable learners.

My team's task is to work with our colleagues in schools to build more capacity in the system by providing support where it is needed most; support that enables delivery of excellent educational outcomes for children and young people across all eight regions of England. We support the best leaders and MATs so that they can continue to raise standards. Through their leadership, more children will receive a great education. We know that the best MATs deploy their most talented staff to benefit more children than they can in a single school. This strategy, amongst others, will help us to build the capacity for future leaders to emerge and play a role in a dynamic education system.

Before becoming the RSC in the South West in September 2014 and the National Schools Commissioner in January 2016, I was CEO of the Cabot Learning Federation in Bristol, one of the first MATs in the South West. There is a place in our system for successful and sustainable stand-alone academies. My experience as a MAT CEO also tells me that the clear lines of accountability of the MAT structure can provide a model where leaders have the levers to make educational improvement happen. The structure enables leaders to implement best practice, rooted in their best schools, across the trust for the benefit of all children. We have seen more and more of this outstanding leadership over the past year and the impact it is having on the lives of children.

Two-thirds of current academies have chosen to join or set up MATs. For schools at a less secure stage of their improvement journey, joining a MAT means they can receive bespoke and accountable support. This is not done by consultants but colleagues from the same organisation that have a vested interest in securing great results. My firm view is that every school should be a giver and receiver of support as they work to secure their own improvement. A system like this, one that is built upon the dual foundations of collaboration and accountability, is one that I am proud to be a part of.

The appointment of the RSCs in September 2014 was a significant step in the development of a system-led approach. It was further recognition that school improvement requires local solutions, rather than a 'one-size-fits-all' approach

from Whitehall. My colleagues and I have been appointed for our extensive and varied knowledge of education in our regions. We are supported and advised by outstanding local headteachers and other system leaders, elected by the sector, who make up our HTBs. Where there is underperformance, we commission support and hold the trust to account for the improved outcomes of that school.

As National Schools Commissioner, transparency and communication with the sector is a key priority. Clarity over the RSC role is vital for effective partnerships with communities. This report marks a milestone in the journey of the academies programme. It is the first to include a description of the work that the RSCs have been carrying out on behalf of the Secretary of State. As the academies programme continues to develop, I look forward to continuing to share data and insights as we work together for children and young people across the country.

Sir David Carter

National Schools Commissioner

3. Purpose of this report

This report has been published to inform Parliament about developments in the academies programme. Section 11 of the Academies Act 2010 places a duty on the Secretary of State for Education to prepare, publish and lay before Parliament an annual report on academies, starting with the year beginning on 1 August 2010. The legislation requires the annual report to contain information on the academy arrangements entered into and the performance of academies during the year. In relation to performance, the annual report must contain information collected under regulations made under section 537 of the Education Act 1996 (under which academies must provide certain information to the Secretary of State) and under the contractual arrangements which academies enter into with the Secretary of State for Education.

This is the fifth annual report. It gives information on the number of academies opened between 1 August 2014 and 31 July 2015, and reports on the educational performance of the sector during this period.

Specifically, the report sets out:

- Background information on the academies programme.
- Data showing the number and type of academies.
- Information about the performance of academies, sponsored academies and academy sponsors.
- Data on how academies cater for vulnerable and disadvantaged pupils.
- Information on free schools, UTCs and studio schools.
- Details about the Department's policy of robust intervention when a school, academy or free school is not performing well enough.
- Information about the reporting process for academy finances and value for money.
- Details about the RSCs' key performance indicators.

4. Background to the academies programme

Academies are independent state schools that are directly funded by the Government. Every academy is required to be part of an academy trust, which is an exempt charity and company limited by guarantee. Every academy trust enters into a funding agreement with the Secretary of State for Education that sets out the requirements that apply to individual academies and the conditions to which the payment of the grant is subject.

There are a number of different types of academies. Some academies have sponsors, while other schools convert to become academies without a sponsor. Many academies operate in MATs, while others are standalone. The first academies were mainly underperforming secondary schools but, since 2010, legislation has been introduced that opened the programme to all secondary, primary, special schools, pupil referral units and post-16 institutions. Free schools, university technical colleges (UTCs) and studio schools are new academies that open in response to parental demand and basic need.

Lines of accountability

The responsibility for taking action to improve outcomes lies with the academy trust and there is a clear chain of accountability between each academy trust and the Department. The Secretary of State is responsible for holding academy trusts to account for meeting the terms of their funding agreements. The Secretary of State has intervention powers when an academy trust is failing.

RSCs are civil servants appointed to take decisions in the name of the Secretary of State. The Secretary of State remains responsible for the academy system and holds the RSCs to account for the actions they take. Each RSC is supported by a HTB made up of six to eight members. On each HTB, four members have been elected by local academy headteachers. Up to four further members can be appointed or co-opted to fill particular skills or expertise gaps. HTB members are responsible for advising their RSC and contributing their local knowledge and professional expertise to aid the RSC's decision-making.

HTBs also provide an important additional check and balance. If an RSC intends to take a decision that contradicts the advice given by the majority of their HTB,

this must be reported to the Minister¹. This process is an integral part of a self-improving, school-led system in which respected school leaders take greater responsibility for improving the system. **Annex A** provides an overview of developments across the RSC regions for the RSCs' first year².

RSC responsibilities

The role of the RSC was established 1 September 2014. The RSCs' main responsibilities include:

- Taking action where academies and free schools are underperforming.
- Intervening in academies where governance is inadequate.
- Deciding on applications from local-authority-maintained schools to convert to academy status.
- Improving underperforming maintained schools by providing them with support from a strong sponsor.
- Encouraging and deciding on applications from sponsors to operate in a region.
- Taking action to improve poorly performing sponsors.
- Advising on proposals for new free schools.
- Advising on whether to cancel, defer or enter into funding agreements with free school projects.
- Deciding on applications to make significant changes to academies and free schools.

The National Schools Commissioner and ministers have conducted a review to ensure that the regional key performance measures (KPIs) continue to appropriately reflect the developing role of RSCs. **Annex B** includes the second year KPIs. These do not reflect the powers in the Education and Adoption Act in relation to coasting schools and academies as these only took force in the 2016/17 academic year. The Government will revisit the KPI for the percentage of schools that are open as academies for year 3, to take account of the RSCs' new powers.

¹ A complete guide to HTB membership is available in the [HTB terms of reference](#)

² The RSCs' first year is September 2014 – 31 August 2015.

Secretary of State as Principal Regulator

On 1 August 2011, the Secretary of State became Principal Regulator (PR) for foundation and voluntary schools, academy trusts and sixth form colleges, as exempt charities. One of the key duties of the PR is to promote compliance with charity law and the Government has a duty to report on how the Secretary of State carries out these duties. As agreed in the memorandum of understanding between the Charity Commission and the Department, this duty is discharged in this report, the Annual Report to Parliament on Academies³.

A memorandum of understanding between the Charity Commission and the Department sets out how we work together, both in co-ordinating our regulatory operations and formulating policy. The Department has promoted compliance by ensuring information on the role of the PR, coupled with information about academy compliance and trustee responsibilities, is published on GOV.UK⁴.

Each academy trust has, as its charitable object, the 'advancement of education for public benefit'. This and other details about the accounts and reports the academy trust must produce are set out in an academy trust's governance document, known as its Memorandum and Articles of Association. Full details of the Secretary of State's powers are set out in the Articles of Association and the Funding Agreement for each academy.

Education Funding Agency (EFA) staff check for possible breaches of charity law and take action if they suspect charity law has been breached. Department for Education (DfE) policy and delivery teams received training on the charitable status of academy trusts, and how this status affects the development of academy policy and the regulatory framework.

In the academic year 2014/15, DfE and Charity Commission officials met regularly to share information relating to academy trusts, agree suitable model documents for them and produce internal and external guidance. During this period, there was no instance where the Secretary of State invited the Charity Commission to use any of its regulatory powers.

³ The reporting requirements placed upon the Secretary of State in relation to sixth form colleges, foundation and voluntary schools can be found in [the memorandum of understanding between the Charity Commission and the Department](#).

⁴ [Exempt charities and the role of the Secretary of State as PR](#)

5. Data relating to the number, type and location of academies

The academies programme has continued to expand rapidly. Academies are located across all regions of England and at 31 July 2015, 58%⁵ of state-funded mainstream secondary schools and 15%⁶ of state-funded mainstream primary schools were operating as academies. Regional data is in Annex A.

It should be noted that the number of converter academies opening slowed down in 2015. This period included the General Election purdah period, where no new academies could be approved until a new government was elected.

The table at **Figure 1** sets out the number of academies that opened after the inception of the programme in 2002/03, up to and including the 2014/15 academic year (1 August 2014 to 31 July 2015).

⁵ This figure excludes free schools, university technical colleges and studio schools

⁶ This figure excludes free schools, university technical colleges and studio schools

Figure 1 - The number of academies opened by year, up to and including the 2014/15 academic year (a)

	<i>Number opened (sponsored)</i>	<i>Total open (sponsored)</i>	<i>Number opened (converter)</i>	<i>Total open (converter)</i>	<i>Total open (all)</i>
2002/03	3	3	-	-	3
2003/04	9	12	-	-	12
2004/05	5	17	-	-	17
2005/06	10	27	-	-	27
2006/07	20	47	-	-	47
2007/08	36	83	-	-	83
2008/09	50	133	-	-	133
2009/10⁷	70	203	-	-	203
2010/11	69	272	529	529	801
2011/12	93	365	1,058	1,587	1,952
2012/13	366	731	731	2,318	3,049
2013/14	393	1,123	543	2,857	3,980
2014/15	305	1,423(b)	445	3,299(c)	4,722

Source: All Open Academies July 2015, GOV.UK website

(a) This table does not include free schools, UTCs or studio schools, see chapter 10 for further information.

(b) 6 sponsored academies closed between 01/08/14 and 31/07/15:

- Manchester Creative and Media Academy for Boys as a result of amalgamation
- The Crest Boys' Academy as a result of amalgamation
- Gillbrook Academy as a result of amalgamation
- York Road Junior Academy as a result of amalgamation
- South Avenue Junior School as a result of amalgamation
- Manchester Alternative Provision Academy due to closure (1/9/14)

(c) 3 converter academies closed between 01/08/14 and 31/07/15:

- Eston Park Academy as a result of amalgamation
- East Tilbury Junior School as a result of amalgamation
- Westlands School due to a change in status – The school closed and opened as two separate academies on 1/9/14

⁷ The first schools opening as converter academies did so in September 2010. An academic year is 1 August to 31 July.

Figure 2 shows the breakdown for different types of academy. There were 4,722 open academies at 31 July 2015, of which 1,423 were sponsored and 3,299 were converters.

Figure 2 - The number of academies by type and age range opened during, and the total, by the end of the 2014/15 reporting year (a)

Type/Age range	Number opened during 2014/15			Total open by end 2014/15		
	<i>Sponsored</i>	<i>Converter</i>	<i>All</i>	<i>Sponsored</i>	<i>Converter</i>	<i>All</i>
Primary	214	365	579	828	1765	2593
Secondary	72	49	121	560	1385	1945
Special	10	27	37	24	122	146
Alternative provision	9	4	13	11	27	38
Total	305	445	750	1423	3299	4722

Source: All Open Academies July 2015, GOV.UK website

(a) This table does not include free schools, UTCs or studio schools, see chapter 10 for further information.

Note: The first schools opening as converter academies did so in September 2010. A reporting year is 1 August to 31 July.

Figure 3 sets out the percentage by gender, ethnicity and Special Education Needs of pupils in all state funded school.

Figure 3 – percentage breakdown by gender, ethnicity and SEN of pupils in academies and all state funded schools (as proportion of all pupils), January 2015 (a)

	Primary (b)			Secondary (b)		
	Converter	Sponsored	All state-funded	Converter	Sponsored	All state-funded
Gender						
Boys	51.0	51.2	51.0	49.7	51.6	50.3
Girls	49.0	48.8	49.0	50.3	48.4	49.7
Ethnicity						
White	79.1	70.0	75.4	79.8	73.8	77.1
Mixed	5.3	6.0	5.5	4.3	4.9	4.4
Asian	9.0	12.8	10.6	9.0	9.4	9.9
Black	4.3	7.5	5.7	4.0	7.8	5.3
Chinese	0.4	0.4	0.4	0.5	0.3	0.4
Any other ethnic group	1.3	2.3	1.8	1.3	2.2	1.5
Unclassified	0.7	1.0	0.7	1.1	1.6	1.3
Minority Ethnic Pupils (c)	25.9	38.3	30.4	23.4	31.1	26.6
Special Educational needs						
All pupils with SEN	13.5	17.0	14.4	12.8	17.3	14.3
Pupils with SEN support	12.2	15.4	13.0	11.1	15.4	12.4
Pupils with statements (d)	1.3	1.6	1.4	1.7	2.0	1.8

Source: School Census, January 2015

- (a) Includes pupils who are sole or dual main registrations.
- (b) Includes middle schools as deemed
- (c) Includes all pupils classified as belonging to an ethnic group other than White British
- (d) Incidence of pupils - the number of pupils with the characteristic expressed as a proportion of the number of pupils on roll

6. School-led improvement and system leadership

Creating robust and resilient MATs

There are two types of academy trust: a Single Academy Trust (SAT), where a trust runs one academy and is governed by a single set of articles and funding agreement; and a MAT, where a trust usually runs more than one academy. A MAT enters into a Master Funding Agreement (MFA) with the Secretary of State and into Supplemental Funding Agreements (SFA) for each academy that it operates.

At 31 July 2015, there were 2,832 academies and free schools (including UTCs and studio schools) in a MAT with two or more academies and free schools (56% of the total number of academies, free schools, UTCs and studio schools).

Figure 4 shows the number of MATs broken down by phase and type of academy.

Figure 4- Academies in MATs with two or more schools as at 31 July 2015 (including free schools, UTCs and studio schools)

<i>Type of academy</i>	<i>Number of academies</i>	<i>Percentage</i>
Primary (including middle deemed primary)	1,823	68%
Secondary (including middle deemed secondary, pupil referral units (PRUs), special and all-through)	1,009	43%
Converter	1,445	44%
Sponsored	1,250	88%
Free schools (including UTCs and studio schools)	137	43%

Source: Departmental Trust management information (underlying data can be found in supplementary data tables 2), GOV.UK

All MATs have some structural characteristics in common, to provide them with specific powers and responsibilities. Each MAT has a single set of articles and are a single legal entity, accountable for a number of academies.

Enabling greater efficiencies and driving improvements

The MAT is responsible and accountable for the educational and financial performance of each academy in the trust. The governance and leadership structure within the MAT will be considered when it is established and at key growth points, to ensure it continues to be effective and robust.

The trust may choose to establish a subsidiary layer or layers of governance to oversee single academies and/or clusters of academies and to which they may then delegate governance functions. MAT boards should ensure clear lines of accountability for all school leaders, through a single senior executive leader and Accounting Officer.

Where academies choose to come together in MATs, the strategic overview afforded to the trust enables them to make a variety of efficiencies and improvements. MATs can achieve better value for money across their trusts by, for example, combining and negotiating on contracts for utilities and other services, conducting joint recruitment exercises and achieving economies of scale on computer software. The MAT structure can also give teachers and leaders clearer career pathways, from NQT status to headship, and trusts can offer improved and personalised CPD to their staff.

Sponsorship as a tool to support rapid school improvement

Academies can be set up with the support of a sponsor. This sponsor then becomes responsible for the school's educational performance, governance and financial management. A sponsor will also bring fresh vision and strong leadership and support. As well as sponsorship from schools themselves, sponsors can also come from different backgrounds, bringing considerable expertise from other sectors.

The Department remains committed to ensuring that we have a diverse supply of high quality academy sponsors that are able to continue to drive up standards in underperforming schools. RSCs have an important role to play in their local area, encouraging high performing schools to extend their influence, growing MATs and recruiting new sponsors in their region.

As of July 31 2015, there were 741 approved academy sponsors (compared to 632 in July 2014). From September 2014, RSCs have been responsible for recruiting sponsors in their region based on local need and priorities.

The Academy Ambassadors programme, funded by the Department, has resulted in experienced business leaders providing support to MATs by joining trust boards as non-execs. As of July 2015, 82 business leaders were involved in supporting MATs through the programme.

How academies support school improvement as system leaders

Outstanding leaders that take a central role in leading school improvement are key to this Government's vision of a school-led system. Outstanding academies are choosing to support other schools in their communities – many of which are doing so as academy sponsors. As of 31 July 2015, 455, or 61%, of sponsors were academy led (compared to 340, or 54%, of sponsors in July 2014).

Academies are also taking part in a range of programmes that help to ensure that system leaders are deployed across the country to support school improvement in academies and maintained schools. These programmes include:

- **Teaching schools**

These are outstanding schools with responsibility for collaborating with other institutions in their local area to deliver initial teacher training (ITT), professional development, succession planning, school-to-school support and research and development. In July 2015, there were 356 academies with teaching school status. This number represented 51.1% of all teaching schools in July 2015.

- **National Leaders of Education & National Support Schools (NLEs/NSSs)**

NLEs are headteachers of outstanding schools who, together with the staff from their school (NSSs), use their skills and experience to improve the quality of teaching and leadership in schools in challenging circumstances. In July 2015, 50.4% of all NLEs were working in academies.

- **Specialist Leaders of Education (SLEs)**

SLEs are outstanding middle and senior leaders, designated by teaching schools, who have excellent knowledge in a particular area of expertise.

- **National Leaders of Governance (NLGs)**

NLGs are highly effective chairs of governors who support chairs of governors in other schools. In July 2015, there were 1,094 NLGs, 549 of whom were working in academies (50.2% of all NLGs).

- **Maths Hubs**

These are partnerships between outstanding schools, academy trusts and other organisations that have specialist expertise to support mathematics education. Each hub is led by a school or college which brings together partners to address changing maths education priorities. For example, addressing change in maths pedagogy or preparing for curriculum and qualification change.

How system leaders and RSCs are working together to support school-led improvement

RSCs have worked with the Teaching Schools Council (TSC) and National College for Teaching and Leadership (NCTL) to identify schools and academies in need of support and prioritise applications through the school-to-school support fund. In round one of the fund, which was issued in December 2014, £10 million was awarded to schools and academies. Working collaboratively ensures that funding is targeted to areas most in need of support and leaves MATs in a position to provide support to academies in their own trust, as well as close partners who may belong to another trust.

Case Study: Oxford Academy, North-West London and South Central England

Ofsted judged the school as 'requires improvement' in December 2014 and attainment was low, with only 28% of pupils receiving 5 A*-Cs including English and Maths in 2014. The RSC met regularly with the academy and the Trust (Diocese of Oxford) to provide support and challenge, including advice on how to make the academy's school improvement plan more focused.

The RSC helped to ensure that the academy received support through the school-to-school support fund with £15,000 awarded to Southfields Teaching School in 2015. This funding was to provide extra capacity for governance as both Ofsted and DfE noted that this was needed, particularly to support and challenge school leaders. Funding was also used to provide subject-to-subject support in relation to science, mathematics, English, literacy and numeracy. In 2015, 51% of pupils achieved 5+ A*-C GCSEs (or equivalent) including English and Maths. This is a 23 percentage point increase on 2014.

The March 2015 Ofsted section 8 monitoring report⁸ was very positive: 'there has been no let-up in the pace of change seen at the inspection. Appropriate actions have already been taken to address the key priorities because, in the main, they were already scheduled as part of your three-year improvement plan. The support provided by an experienced headteacher and national leader in education has been invaluable in improving governance and provided support to you'.

⁸ [Oxford Academy, section 8 Ofsted Inspection report \(March 2015\)](#)

7. Performance of converter academies

To be consistent with the performance tables, academy performance statistics refer to those academies that had been open for a full academic year. That means the statistics in this report refer to academies that were open by September 2014.

During the 2014/15 reporting year, the number of converter academies has continued to grow with 445 (365 Primary and 49 Secondary) schools converting during the year. By the end of this period, all secondary schools were academies in four LA areas (Darlington, Bexley, Rutland and North East Lincolnshire). The majority of secondary schools are academies in a further 94 LA areas.

There are nine LAs where over half of the state funded primary schools were also academies (Darlington, North East Lincolnshire, Bromley, Torbay, Kingston upon Hull, Thurrock, Rutland, Bournemouth and Slough).

Attainment in converter academies remained above that in LA maintained schools

Attainment in the generally high-performing converter academies remained above the national average for state-funded schools - in both primary and secondary schools. In 2015:

- 84% of pupils in primary converter academies achieved level 4 or above in reading, writing and mathematics at key stage two (KS2), compared to 81% in LA maintained mainstream schools. Despite achieving higher standards than other primary schools, primary converter academies continue to demonstrate improvements year-on-year.
- 27% of pupils in primary converter academies were above the expected standard at age 11 (an increase of one percentage point) compared to 25% across all LA maintained mainstream schools (an increase of one percentage point).
- In secondary converter academies, 64.3% of pupils achieved five or more A*-C grades at GCSE including English and mathematics at key stage 4 (KS4), compared to 56% in LA maintained mainstream schools.

8. Performance of sponsored academies

Consistent with the performance tables, academy performance statistics refer to those academies that had been open for a full academic year. This means these statistics refer to academies that were open by September 2014.

During the 2014/15 reporting year, 305 sponsored academies opened (214 primary schools and 72 secondary schools⁹). The continued growth in sponsored academies has improved the performance of the most disadvantaged pupils. Both sponsored primary and secondary academies have a higher rate of pupils eligible for free school meals (FSM) than the national average. By turning around some of the most challenging schools in the country, sponsored academies are helping to realise the Government's vision for real social justice and social mobility.

Sponsored academies remain committed to ensuring that their pupils leave school with high quality qualifications, regardless of their background. This is evident in the way that sponsored academies are increasing the number of pupils entering the English Baccalaureate (EBacc). In 2014, 26.9% of sponsored academies entered pupils for the EBacc and this increased by 3.3% in 2015 to 27.8%¹⁰. The proportion of pupils entered for the EBacc in all state-funded schools remained unchanged over the same period.

Although evidence shows rising standards and relatively rapid improvement in sponsored academies, it should be noted that it is difficult to make exact comparisons between sponsored academies and LA schools. Many of the poorest performing secondary schools have now become sponsored academies and that raises the average quality of the remaining LA maintained secondary schools. In contrast, until recently there were relatively few primary sponsored academies and it is too early to assess impact on performance.

⁹ The total figure of 305 also includes 10 special and nine alternative provision academies. They are neither primary nor secondary and so are counted separately.

¹⁰ Published figures on EBacc entry by school funding type are available from table 3a of the [KS4 SFRs](#)

Primary Sponsored Academy Performance

At the end of the 2011/12 academic year, there were 28 open sponsored primary academies. Between 2012/13 and 2013/14 academic years, the number of open sponsored primary academies expanded rapidly to 616. The total number of sponsored primary academies as of 31 July 2015 was 1,423.

The sponsored primary academies that have been open for two years have seen the proportion of pupils achieving a level 4 or above in reading, writing and mathematics at key stage 2 (KS2), improve by 10 percentage points since opening (from 61% in their predecessor schools to 71%). This is more than double the rate of improvement in LA maintained schools over the same period (which saw a rise of 4 percentage points from 77% to 81%).

It should be noted that it is difficult to make exact comparisons between academies and LA schools: until recently there were relatively few primary sponsored academies and there are now substantially fewer secondary LA schools. However, evidence shows that standards are rising in academies.

Case Study: The Hyde School, Barnet, North West London and South Central

In 2011, only 49% of pupils at the Hyde School achieved level 4 in English and mathematics at Key Stage 2; and in September 2012, Ofsted rated the school as inadequate.

Since joining the Elliot Foundation Academies Trust and under new leadership and governance, the school has made rapid progress. By 2014, the number of Key Stage 2 pupils achieving level 4 had reached 90%, and by May 2015, Ofsted rated the school as outstanding¹¹. According to the school's latest Ofsted report, "The excellent leadership of the headteacher has brought about considerable improvement" and the headteacher "is extremely well supported by leaders at all levels, including governors. Together they have ensured that teaching and pupils' achievement have improved dramatically.

¹¹ [The Hyde School Ofsted report, May 2015](#)

Secondary Sponsored Academy Performance

In 2014, changes to KS4 performance measures were implemented and academies continue to adapt to the new framework for 2015. Even after the introduction of tougher reforms, the percentage of pupils achieving 5 or more good GCSEs (including English and maths) in sponsored academies open for four academic years are, on average, still larger than those achieved by their predecessor schools in 2011 (44.0% in 2011, and 45.0% in 2015).

Over the same period, the average percentage of pupils in LA maintained schools achieving 5 or more good GCSEs (including English and maths) declined by 1.6 percentage points on average¹².

¹² Due to the performance measure changes, the 2014 KS4 results are not directly comparable to previous years.

9. How academies cater for vulnerable and disadvantaged pupils

The law and statutory guidance on special educational needs (SEN)¹³ and exclusions¹⁴ apply equally to academies and LA maintained schools. Under the Children and Families Act 2014, academies have a duty to promote and safeguard the education of children and young people with special educational needs and disabilities (SEND).

Academies must comply with their funding agreement, which obliges them to adhere to relevant legislation. If the Department receives a complaint that an academy is in breach of its funding agreement by failing to carry out its statutory duties or is carrying them out unreasonably, we will look at the complaint with reference to the relevant legislation and, if necessary and expedient, take action. Intervention in such circumstances is considered on a case-by-case basis.

Special educational needs

Academies have continued to play their part in providing for children with SEND. Academies have a similar proportion of pupils with special educational to that of all state-funded schools.

In January 2015, 13.9% of pupils in secondary academies were identified as having a special educational need compared to 14.3% of pupils in all state-funded secondary schools. In primary academies, 14.6% of pupils were identified as having some kind of SEN compared to 14.4% of pupils in all state-funded primary schools.

Special academies and alternative provision (AP) academies

Special academies offer children and young people, with SEN or disabilities, a learning experience and support that enables them to achieve and progress in school and prepares them for adult life. AP academies allow pupils to receive

¹³ [The Children and Families Act 2014](#); and the associated [SEND Code of Practice](#)

¹⁴ [Statutory guidance on school-exclusion](#)

tailored support and education. These specialised academies are developing new ways of inspiring children and young people. This includes becoming sponsors of special and AP schools that need support. This is improving access to high-quality provision for those who are most vulnerable.

RSCs have responsibility for supporting all schools in their areas to become academies and are actively encouraging strong special schools and PRUs to convert. Many of these schools have now set up MATs and some have taken their first steps into sponsoring mainstream schools, as well as specialist provision.

The first special academies opened in September 2011. The first AP academy opened in November 2012. By July 2015, there were 146 special academies and 38 AP academies¹⁵.

¹⁵ To note, one AP academy also closed during this period.

Figure 5 - Proportion of pupils with SEN by academy status (1) (2) (3)

	Number on roll	Pupils with statements of SEN/ EHC plan		Pupils with SEN support		Total pupils with SEN	
		Number	Incidence (%) ⁽³⁾	Number	Incidence (%) ⁽³⁾	Number	Incidence (%) ⁽³⁾
Primary converter academy	491,065	6,510	1.3	59,780	12.2	66,290	13.5
Sponsor-led primary academy	230,255	3,600	1.6	35,475	15.4	39,075	17.0
Total primary academies (4)	733,165	10,195	1.4	96,620	13.2	106,815	14.6
Secondary converter academy	1,477,350	25,085	1.7	163,455	11.1	188,540	12.8
Sponsor-led secondary academy	474,785	9,450	2.0	72,885	15.4	82,330	17.3
Total secondary academies (4)	1,990,295	35,165	1.8	241,775	12.1	276,940	13.9
Special converter academy	14,675	14,195	96.8	380	2.6	14,575	99.3
Sponsor-led special academy	1,570	1,560	99.5	10	0.5	1,570	100.0
Total special academies (4)	16,640	16,155	97.1	390	2.3	16,545	99.4
AP academy	1,480	200	13.5	1,135	76.8	1,335	90.3

Source: School Census, January 2015

- (1) Includes pupils with a statement of special educational needs, at School Action and School Action Plus.
(2) Includes pupils who are sole or dual main registrations.
(3) Incidence of pupils - the number of pupils with SEN expressed as a proportion of the number of pupils on roll.
(4) Includes free schools, UTCs and studio schools

x - 1 or 2 pupils or a percentage based on 1 or 2 pupils.

Totals may not appear to equal the sum of the component parts because numbers have been rounded to the nearest 5.

Outcomes for vulnerable and disadvantaged pupils

Data from the National Pupil Database (NPD) enables results to be broken down by pupil characteristics¹⁶. This shows that at key stage 2:

- Results for FSM pupils in sponsored academies improved at a faster rate than those in LA schools. The proportion of FSM pupils who achieved level 4 or above in reading, writing and mathematics improved by 5 percentage points in sponsored academies, compared with 2 percentage points in LA schools.
- Results for SEN pupils in sponsored academies also improved at a faster rate than those in LA maintained schools. The proportion of SEN pupils who achieved level 4 or above in reading, writing and mathematics improved by 4 percentage points in sponsored academies, compared with 1 percentage point in LA schools.
- In converter academies, results for SEN pupils were above the average for SEN pupils in LA schools. The proportion of SEN pupils achieving level 4 or above in reading, writing and mathematics was 45% in converter academies, compared with 42% of SEN pupils in LA schools.
- Results for FSM pupils in converter academies were also higher than the average for FSM pupils in LA schools. In converter academies, 70% of FSM pupils achieved level 4 or above in reading, writing and mathematics, compared with 68% of FSM pupils in LA schools.

In 2014, reforms were implemented that affect the calculation of key stage 4 performance measures data^{17 18}. Academies continue to adapt to the new framework for 2015. Results for KS4 are available in the supplementary statistics published for the Academies Annual Report¹⁹.

At key stage 4, the statistics show that:

- Results for FSM pupils in sponsored academies improved at a faster rate than those in LA schools. The proportion of FSM pupils who achieved 5+ A*-C including English and mathematics GCSEs improved by 0.1 percentage

¹⁶ The data drawn from the NPD to support this chapter is available to read in the supplementary statistics published alongside this Academies Annual Report¹⁶

¹⁷ [Professor Alison Wolf's Review of Vocational Education – The Wolf Report](#)

¹⁸ Early Entry Policy – results only count a pupil's first attempt at a qualification.

¹⁹ This document is published alongside the annual report at GOV.UK

points in sponsored academies, compared with -0.4 percentage points in LA schools.

- Results for FSM pupils in converter academies were also higher than the average for FSM pupils in LA schools. In converter academies, 38.1% of FSM pupils achieved 5+ A*-C including English and mathematics GCSEs, compared with 34.9% of FSM pupils in LA schools and 33.1% of all state-funded schools.
- In converter academies, results for SEN pupils were above the average for SEN pupils in LA schools. The proportion of SEN pupils achieving 5+ A*-C including English and mathematics GCSEs was 27.1% in converter academies, compared with 20.9% of SEN pupils in LA schools.
- In sponsored academies, pupils with SEN on average achieved results which were below the average for all state-funded schools. The proportion of SEN pupils achieving 5+ A*-C including English and mathematics GCSEs was 15.8%, compared with 20.0% in all state-funded schools.

Pupils eligible for FSM

In primary and secondary sponsored academies, 2015 data shows that there were significantly higher numbers of pupils claiming FSM than the national average. At primary level, 26.2% of pupils in sponsored academies are claiming FSM compared to 15.6% across all state-funded primary schools. In secondary sponsored academies, 23.5% of pupils are claiming FSM, compared to 13.9% in state funded secondary schools²⁰. The proportion of pupils in converter academies who are known to be eligible and claiming FSM is lower than the national average at both primary (13.7%) and secondary (9.7%).

Overall, the proportion of pupils in primary academies who are known to be eligible and claiming FSM is higher than the national average across all state-funded primary schools. In January 2015, 17.6% of pupils were known to be eligible for FSM, compared with 15.6% across all state-funded primary schools. Conversely, the proportion of pupils in secondary academies who were known to be eligible for FSM is lower than the average across all state-funded schools. In January 2015, 13.1% of pupils in secondary academies were known to be eligible for FSM compared to 13.9 % across all state-funded secondary schools (see **Figure 6**).

²⁰ [DfE \(2015\): Schools, pupils and their characteristics: January 2015](#)

Figure 6 - Proportion of pupils known to be eligible for FSM by academy status (1)

Type of academy	All pupils (2)		
	Number on roll	Number of pupils known to be eligible for and claiming FSM	Percentage known to be eligible for and claiming FSM
Primary converter academy	491,067	67,204	13.7%
Primary sponsored academy	230,257	60,293	26.2%
Total primary academies (6)	733,167	129,220	17.6%
Secondary converter academy	1,477,352	143,223	9.7%
Secondary sponsored academy (4)	474,787	111,731	23.5%
Total secondary academies (6)	1,990,294	260,681	13.1%
Special converter academies	14,673	5,371	36.6%
Special sponsored academies	1,570	660	42.0%
Total special academies (6)	16,641	6,178	37.1%
AP converter academies	1,265	607	48.0%
AP sponsored academies (5)	213	122	57.3
Total AP academies (6)	2,292	1,097	47.9
Total all academies (6)	2,742,394	397,176	14.5

Source: School Census, January 2015

1. Includes middle/all through schools as deemed.

2. Includes full time and part time pupils who are sole or dual main registrations. Includes boarders.

3. Pupils who have full time attendance and are aged 15 or under, or pupils who have part time attendance and are aged between 5 and 15.

4. Haringey Sixth Form Centre and the London Academy of Excellence pupil numbers are not included here.

5. All pupils in this school hold dual subsidiary registrations, which are not counted.

6. Includes free schools, university technical colleges and studio schools

Note: Total numbers have been rounded to the nearest 5

10. Free schools (including university technical colleges and studio schools)

Free schools are newly established academies. They are non-profit making, independent and state-funded.

The free schools programme allows communities and parents to demand and establish better provision for local children where they see the need to do so.

The programme is responsive to the need for a new school. Often this meets basic need for more school places. It can also mean the need to set up a new, better school in an area of low standards to challenge the status quo.

Free schools benefit from the same degree of autonomy from LA control as other types of academy. As with all academies, they are funded on a comparable basis to other state-funded schools, are subject to the same Ofsted inspections as all state schools; and are under the same expectations that they will rigorously maintain high standards of education.

By the 2014/15 academic year, seven in ten of the open mainstream free schools had been opened in areas where there was a need for additional school places²¹.

The free schools programme has rapidly expanded since its creation in 2010. Over 1,600 applications to open free schools have been received, including over 200 during application windows in the 2014/15 academic year²². In September 2011 the first 24 free schools opened, followed by a further 57 schools in the academic year 2012/13, 94 in 2013/14 and 81 in 2014/15.

By the end of the 2014/15 academic year, there were 252 open free schools. The majority of these were mainstream schools (210 schools), with the remaining schools being AP (28 schools) and special free schools (14)²³.

²¹ [Free Schools: Location in areas with need for additional schools places](#) transparency note, September 2014. (Note that this refers to the position in the 2014/15 academic year.

²² [Free school applications](#), 2014/15

²³ [Free schools: open schools and successful applications](#) – four free schools that opened subsequently closed.

Case Study: King's College London Mathematics School, Lambeth, South-East England and South London

King's College London Mathematics School opened in September 2014. It is a 16-19 selective specialist Maths school catering to students with high aptitude in maths from across London, largely from within the state sector.

The school offers a stretching curriculum, focused on maths, with input from university academics. All students study Mathematics, Further Mathematics and Physics to A-level and choose between completing AS level in either Computing or Economics in their first year. All students engage with a broader curriculum and as part of this have the option of completing an EPQ (Extended Project Qualification), equivalent to an AS in scope, during their second year. Students are also prepared for challenging additional qualifications including the STEP paper set by Cambridge. The school has "Maths pods" – areas where PhD students from King's College London work alongside students from the school to work on challenging problems.

The results have been outstanding. In 2015, Kings College Maths School had their first cohort for their AS examination results. The school reported that 90% of grades in Maths and Further Maths were A-grades, and 97% of students received an A-grade in Maths. Comparing GCSE grades to AS grades, the school reports that students have on average attained over half a grade higher per entry than predicted by national data.

Performance and attainment

During the 2014/15 academic year, 97 free schools (including 16-19 free schools) were inspected by Ofsted. Of these, 24 were rated outstanding, 48 were rated

good, 17 were rated as requiring improvement and 8 were found to be inadequate²⁴.

By the end of the 2014/15 academic year, 158 open free schools (excluding 16-19 free schools) had been inspected by Ofsted under its schools framework (i.e. excluding 16-19 free schools). Of these, 27% (42) were rated outstanding, 52% (82) were rated good, and 18% (28) were rated as requires improvement and 4% (6) were found to be inadequate. The proportion rated outstanding was higher than that for LA maintained schools inspected under the same framework²⁵, of which 17% were rated outstanding by the end of the 2014/15 academic year.²⁶

Seven²⁷ 16-19 free schools had been inspected under Ofsted's FE and Skills framework by the end of 2014/15, of which one was rated outstanding, two were rated good, two were rated requires improvement and two were found to be inadequate²⁸.

There have been some isolated problems with a very small number of new schools. Action has been taken to address this underperformance, either to close the school or to bring in stronger educational providers to take over the school. One free school closed between August 2014 and July 2015: the Durham Free School, which closed on 27/3/2015²⁹.

It is too early to judge the free schools programme as a whole based on KS1, 2, 4 & 5 performance, because only a small proportion of open free schools have examination results at this stage.

²⁴ There are two sources for this. The first is [Ofsted data](#) on maintained schools and academies: inspections and outcomes, September 2014-August 2015. For 16-19 free schools, the source is [Ofsted data](#) for further education and skills inspection outcomes, September 2014 and February 2015

²⁵ Includes community, community special, foundation, foundation special, Pupil Referral Unit, Voluntary Aided and Voluntary Controlled schools.

²⁶ The source is [Ofsted data](#) on maintained schools and academies inspections and outcomes, April to August 2015 provisional and January to March 2015 revised.

²⁷ This includes one 14-19 free school which received a 'further education and skills' inspection

²⁸ The source is [Ofsted data](#) on further education and skills inspection outcomes, September 2014 to August 2015 published on GOV.UK

²⁹ Two other free schools that were open at the end of the reporting period (31 July 2015) subsequently closed at the end of August 2015: the Stockport Technical College and Dawes Lane Academy.

Case Study: St Martin's Academy, Cheshire West and Chester, West Midlands

St Martin's Academy is a small, non-faith primary free school in Chester that opened in September 2013. The school was established in an area of high population density where there was a demand for more primary school places and as such, the school has enthusiastic local support. St Martin's was inspected by Ofsted in May 2015³⁰ and was judged outstanding in every category. The school's culture and its broad and varied educational and pastoral provision have led to outstanding pupil progress.

St Martin's makes use of its academy freedoms to operate a longer school day, delivers a wide range of extra-curricular activities and introduces children in Reception to French and Spanish. St Martin's is a one-form entry school that operates class sizes of 25 so that at capacity in 2019, the school will offer a smaller than average 175 places. Ofsted inspectors commended everyone involved with the school for their hard work in creating a "learning community where pupil's self-esteem and self-confidence can flourish."

Costs

The latest analysis shows that overall the capital costs of free schools are well below the costs of previous programmes. A full value for money study, *Establishing Free Schools*, was conducted by the National Audit Office in 2013. This report recognised the progress we have made in opening free schools, and the much lower construction costs than previous programmes.

University technical colleges (UTCs) and studio schools

UTCs and studio schools have been established to address skills gaps in local and national industries. Most UTCs and studio schools are academies (a few early studio schools were set up as part of an academy or maintained school).

³⁰ [St Martin's Academy Ofsted report \(May 2015\)](#)

They are funded on the same basis as academies and free schools and have the same freedoms to determine their own curriculum and employment conditions of staff. They must also have fair and transparent admission arrangements that comply with the School Admissions Code.

UTCs

There were 30 UTCs open during the 2014/15 academic year³¹, 13 of which opened in September 2014. UTCs are established by employers and universities, often in partnership with another education provider, including, for example, further education (FE) colleges.

The UTCs open or in development during the 2014/15 academic year will create over 35,000 school places. Over 500 employers, comprising national employers, including Network Rail, BAE Systems and Siemens, alongside small and medium size enterprises, are supporting UTCs by providing projects, developing the curriculum and specialisms and arranging industry mentors and masterclasses. These UTCs also receive significant input from excellent universities, such as Sheffield and Warwick.

UTCs are new schools so there is limited data available on their performance. Four of the seven UTCs inspected in the 2014/15 academic year were rated good or better. By the end of the 2014/15 academic year, Ofsted had inspected 11 UTCs³² in total, of which six were rated good or better.

Studio Schools

There were 37 open studio schools during the 2014/15 academic year, 12 of which opened in September 2014. In addition to the two that had previously closed, two studio schools closed in August 2014³³. Studio schools are usually established by an academy, MAT or a FE college.

The studio schools open or in development during the 2014/15 academic year will create over 14,000 school places. National and local employers, like Virgin

³¹ Two of these UTCs closed on 31 August 2015.

³² This includes the two UTCs that closed 31 August 2015.

³³ A further three studio schools closed 31 August 2015.

Media, Barclays, Sony and the BBC, support studio schools by developing the curriculum and specialisms and providing work experience and mentoring opportunities.

Like UTCs, studio schools are new schools so there is limited data available on their performance. In addition, some early studio schools were opened within existing schools and are not inspected or reported on separately. Six of the 12 studio schools inspected in the 2014/15 academic year were rated good or better. By the end of the 2014/15 academic year, 18 studio schools had been inspected by Ofsted, of which 10 were judged to be good or better.

11. Robust Intervention in underperformance and safe management of the system

There are clear parameters for intervention within the academies sector, which are underpinned by Ofsted's risk based inspection regime and other accountability measures. The main triggers for intervention are concerns regarding educational underperformance, financial management and governance.

Education performance concerns

With an increasingly school-led system, the responsibility for taking action to improve outcomes lies with the academy trust. Where a trust is failing to improve a school that is underperforming, the RSCs intervene. Underperforming academies are defined as those that are below the national floor standard on progress and/or attainment measures or those judged as Inadequate by Ofsted.

RSCs carry out their functions within a national framework³⁴ that has been agreed by ministers. Individual decisions are made with reference to each academy's funding agreement, relevant legislation and published criteria. However, the regional approach means that RSCs are able to tailor their ways of working to meet local needs and priorities.

RSCs use a range of intervention strategies of escalating severity to address underperformance. They then tailor their approach based on local knowledge and an expert understanding of the circumstances of the individual school to secure rapid improvement, this includes:

- Evaluating underperformance through scrutinising performance data, Ofsted inspections and other relevant information.
- Undertaking diagnostic school visits, discussions and meetings with the academy trust or sponsor to assess the level and cause of underperformance and to assess the quality of the improvement plan being delivered.

³⁴ [RSC decision-making framework](#)

- Brokering additional school-to-school support, which can help academies and sponsors take control of their own improvement.
- In serious cases of sustained poor academic performance, a formal pre-warning notice (PWN) or warning notice (WN) can be issued, which sets out clearly the improvements that are required and by when.
- If improvement does not follow, taking further action which could ultimately lead to a stand-alone school joining a MAT, a change of sponsor, changes to MAT arrangements, mergers between academies or ultimately closure.

RSCs have been working with the NCTL to ensure the most effective allocation of its school-to-school support fund. In December 2014, £10million was awarded in school-to-school support grants from the NCTL, to build leadership capacity to support schools to move towards an Ofsted rating of good, through a time-limited intervention.

RSCs are not responsible for carrying out school improvement activities but rather identify action to be taken by the academy trust and hold them to account for the improvement it was intended to deliver. They may prescribe the nature of the intervention and, where appropriate, advise the trust on suitable options. The responsibility for taking the necessary action to improve outcomes remains with the academy trust. RSCs do not fund or regulate academies; this is the responsibility of the EFA.

As of 1 July 2015, the RSCs took on responsibility for identifying underperforming LA maintained schools that should become academies and matching them with an appropriate academy sponsor.

Between August 2014 and July 2015, the RSCs issued 43 pre-warning notices, including 13 to converter academies, 28 to sponsored academies and two to trusts concerning four academies. During the same period, seven warning notices were issued. These were all issued to secondary academies, three of which were converter academies, while four were sponsored academies. The Department issued one termination notice to a secondary sponsored academy. The academy has remained with the same trust, although the RSC continues to monitor and track progress. The Department publishes all letters to academy

trusts about poor performance or weaknesses in safeguarding, governance or financial management.³⁵

Underperforming sponsors

The RSCs consider a range of data and evidence when determining the performance of sponsors, including data from the schools within their MAT.

RSCs continue to lead the relationship with sponsors operating solely in their region and with agreed national sponsors. They are responsible for managing the sponsor market in their region and intervening if any trust is failing. Discussions with sponsors focus on their performance and capacity, including plans for growth. An appropriate approach to growth is agreed with all sponsors reflecting their capacity and this becomes a guideline for working together to find solutions for failing schools.

In addition to interventions in specific academies causing concern, the Department may 'pause' a sponsor's growth if there are:

- Serious financial concerns and the EFA has issued a Financial Notice to Improve (FNtI);
- Serious concerns about the leadership or governance of the sponsor including where there are due diligence issues with sponsors or trust senior management; and/or
- Serious unresolved concerns with educational impact, which could include a combination of the Department having issued pre-warning notices, the Department considering academy closure, and/or where, following support from the Department, the sponsor has failed to act rapidly.

Between August 2014 and July 2015, the Department paused the growth of 14 sponsors.

³⁵ [Letters to academy trusts about poor performance](#)

Changing a sponsor

Where improvements are not achieved rapidly at a sponsored academy or a sponsor is not providing good enough support, the RSC can take action, in line with the funding agreement, to challenge and if necessary move the academy to another trust. Where the decision is taken to transfer an academy to a new sponsor, the Department and RSC ensures that this is completed as quickly as possible, with minimum disruption to pupils, so they can benefit from improved standards as soon as possible.

Between August 2014 and July 2015, 29 sponsored academies (22 secondary schools, 5 primary schools and 2 special schools) were transferred to new sponsors. 25 converter academies (10 primary schools and 15 secondary schools) joined a MAT to benefit from the strong governance and leadership that this provides.

Accountability for finance and governance

The EFA works closely with RSCs and other partners to make sure that academy expenditure secures better outcomes for pupils. The EFA intervenes in a timely and proportionate way to ensure trusts are in a strong position with regards to governance and financial management.

Unlike LA schools, academy trusts are held to account through a contract with Government and bound by both company and charity law. As such, academy trusts have statutory responsibilities under company law and explicit accountabilities to Parliament. They must also adhere to the Academies Financial Handbook, which sets out further requirements and principles. Due to this dual layer of accountability, academies have a stronger financial framework, and are held up for greater scrutiny, than any other type of school.

Accountability is based on a clearly communicated framework, the key elements of which are:

- Academy trusts are companies limited by guarantee. This means that the governors of the trust are company directors (unlike in council run schools) and have statutory duties such as avoiding conflicts of interest.
- Academy trusts are charities. Trusts must operate in the public interest and are accountable to the pupils they teach and the communities they serve.

- Academy trusts are public sector bodies. Trusts conform to the Treasury's rules about public money and the framework of accountability set out in 'Managing Public Money'³⁶.
- Transparency. Trusts must be open and transparent and publish their accounts (in accordance with the Accounts Direction³⁷), so they are unable to hide behind layers of bureaucracy.

These arrangements ensure that there is a chain of accountability for public money. This chain runs from Parliament to the Permanent Secretary as Principal Accounting Officer for voted funds, through the Chief Executive and Accounting Officer of the Education Funding Agency to each individual Accounting Officer of an academy trust. The Accounting Officer of the trust is the most senior leader in the trust, normally the headteacher or chief executive. The expectation is that academy trusts will manage their financial affairs through this framework.

However, where an academy trust requires additional support, the EFA will work with the trust to help it reach a stronger position. Where there is a risk to public funds, the EFA will intervene in a way that is proportionate to the risk and preserves the effective education of children. Formal intervention activity can include:

- A letter to the chair of trustees noting concerns and requiring a response;
- A requirement that the trust produces an action plan to tackle specific issues;
- A visit to review the financial management and governance controls within the academy trust;
- A full investigation; and
- Issuing of an FNtl - a written notice of EFA's formal intervention, setting out required remedial actions, deadlines and consequences of non-compliance. Fifteen FNtl's were issued between August 2014 and July 2015.

³⁶ [Managing Public Money](#)

³⁷ [Academies Accounts Direction](#)

The EFA continues to work closely with academy trusts and their auditors to ensure issues are identified quickly and effective responses put in place.

12. Finance and value for money

Both Parliament and the public should be able to easily understand how academies spend their money.

For the past two years, the National Audit Office (NAO) has given an ‘adverse’ opinion of the DfE consolidated accounts due to the complex methodology used to combine the results of academy trusts with those of the Department and its agencies.

From next year, we are making academy expenditure more transparent and easier to oversee. We will do this by producing a new sector report and accounts every academic year, beginning with a publication in summer 2017 that covers the 2015/16 academic year. The sector report and accounts will fulfil the reporting requirement behind the Academies Annual report and so, from 2017, the two reports will merge. The new report will give a fuller account of the sector.

The sector report will separate academy spending from that of the Department, clearly showing how academies receive resources and how they use them, and for the first time aligning results with academic performance. This will make it easier for Parliament, parents and the taxpayer to scrutinise and test the information within it.

Under the reporting approach of the new sector report, Parliament will have more relevant, accurate and useful information to assess performance and governance of the academy sector.

The new sector report will:

- Be clearer and more accurate, not only for Parliament and the public but for the academy sector as a whole.
- Make reporting more timely.
- Show the operational performance of the sector against the money it receives.
- Clarify the relationship between the grants that academies receive and the spending they report to Parliament.

Annex A: Regional report

Introduction

This annex provides a regional overview, broken down by the four key areas of RSC responsibility. These key areas are:

1. Taking decisions on the creation of new academies
2. Ensuring there are enough high-quality sponsors to meet local need
3. Monitoring academy performance and tackling underperforming academies and free schools
4. Providing advice and making recommendations in relation to free schools, UTCs and studio schools.

The data in this annex covers the first year of operation of the new RSC system from 1 September 2014 – 31 August 2015.

Area 1: Creation of new academies

RSCs are key in driving the academies programme forward, supporting schools to convert to academy status and taking action to broker tailored sponsored solutions for underperforming LA maintained schools.

Central to this is the RSC's role in approving or declining applications from maintained schools to convert to academy status. This includes consideration of the academic and financial performance of the school, as well as viability. Schools that are performing well can convert to academy status as part of a MAT or SAT. Schools that do not meet the 'performing well' criteria must join a MAT or become a sponsored academy.

When schools are converting to academy status as part of a MAT or joining an existing MAT, the RSC seeks assurance that the governance and leadership of the MAT is clear and robust and the MAT has the capacity to drive improvement across all schools within it. The RSC will also reassess MATs at key milestones throughout the academic year (such as following exam results) and at key stages of their growth, to consider their capacity to support and enable the academies within their MAT to improve.

Figure 7 - The percentage of schools that are open as academies (including free schools, UTCs and studio schools)

RSC Region	September 2014	August 2015
East Midlands & Humber	26	30
Lancashire & West Yorks	13	15
NE London & East	22	26
North	13	15
NW London & South Central	24	26
S London & South East	21	23
South West	27	30
West Midlands	21	25
England	21	24

Sources: Edubase, open schools as of 1 September 2014

Figure 8 - The number of sponsored academies in each region in September 2014 and again by the end of August 2015

RSC region	September 2014	August 2015
East Midlands & Humber	178	210
Lancashire & West Yorks	136	169
North	54	62
NE London & East	170	219
NW London & South Central	151	161
S London & South East	227	249
South West	138	161
West Midlands	172	203
England	1226	1434

Source: Edubase

Maintained schools that have been judged inadequate by Ofsted are required to become sponsored academies in order to secure rapid and sustainable improvement. In these circumstances the RSC will match the school with a

suitable sponsor, issue the Academy Order and agree at which point the funding agreement can be signed.

Figure 9 below sets out the number and percentage of eligible schools that have an Academy Order but have not yet opened as an academy, by RSC region. An eligible school is one that is not below the floor standard or in Ofsted category 4, and not already an academy.

RSCs aim to have a steady, sustainable number of schools preparing to convert to academy status. The number of these can fluctuate up or down over time. This is due to a number of factors, including: an increase or decrease in the number of schools choosing to convert; the date the school chooses to open as an academy; the circumstances of the school; and the subsequent time required to take the necessary steps to complete the conversion process.

Figure 9 - The percentage of eligible (1) LA maintained schools that have been approved to convert to academy

RSC Region	September 2014			August 2015		
	Number of eligible schools	Number of eligible schools with approved application	Percentage of eligible schools with an approved application	Number of eligible schools	Number of schools with approved application	Percentage of eligible schools with an approved application
East Midlands & Humber	1804	65	4	1756	47	3
Lancashire & West Yorks	2730	39	1	2700	46	2
NE London & East	1725	47	3	1652	43	3
North	1497	24	2	1467	40	3
NW London & South Central	2178	51	2	2127	58	3
S London & South East	2460	66	3	2418	81	3
South West	1609	57	4	1555	93	6
West Midlands	1936	56	3	1852	117	6
England	15939	405	3	15527	525	3

Sources: Edubase, Ofsted official statistics, KS2/4 Performance Tables

(1) Schools are included as 'eligible' to convert if they are not already an academy, and are not below the floor standard or rated inadequate by Ofsted.

Area 2: Ensuring there are enough high-quality sponsors to meet local need

RSCs encourage suitable organisations in their area to apply to become a sponsor and will support them in the process where that is required. RSCs focus attention on the areas of their region where there is reduced capacity. Building sponsor capacity within the system involves recruiting new sponsors, supporting effective MATs to become sponsors and encouraging existing sponsors to expand and share their expertise to support others.

RSCs will decide who can be a sponsor in their region, including new sponsors and the expansion of existing sponsors. When taking this decision, the RSCs' considerations will include the sponsor's overall vision and plans for growth, educational and financial capacity, and governance.

Figure 10 shows the number of sponsors by region in September 2014 and then again, at the end of August 2015. It should be noted that where a sponsor supports academies across more than one region, it is allocated a lead RSC who 'owns' the relationship with the sponsor and is responsible for negotiating any strategic decisions or approaches that have a direct implication for multiple regions.

Figure 10 - The number of sponsors by region

<i>RSC region</i>	<i>September 2014</i>	<i>August 2015</i>
East Midlands & Humber	84	100
Lancashire & West Yorks	79	109
North	43	54
North East London & East	78	106
North West London & South Central	95	99
S London & South East	103	115
South West	71	87
West Midlands	81	90
England	634	760

Source: Departmental Trust management information (underlying data can be found in supplementary data tables 2), GOV.UK.

Within each region, there are some areas with greater access to high quality sponsors than others. One focus of the RSCs is to build capacity in areas that lack existing capacity.

Area 3: Monitoring academy performance and tackling underperforming academies and free schools

The role of the RSC is to monitor and prioritise academies where intervention is deemed necessary based on educational underperformance or inadequate governance.

Figure 11 - The percentage of academies rated good or outstanding (excluding free schools, UTCs and SS)

<i>RSC region</i>	<i>September 2014</i>	<i>August 2015</i>
East Midlands & Humber	80	81
Lancashire & West Yorks	78	78
North	83	80
NE London & East	79	79
NW London & South Central	84	81
S London & South East	83	84
South West	86	87
West Midlands	80	81
England	82	82

Source: Edubase, Ofsted official statistics

Figure 12 - The percentage of free schools, UTCs and SS rated as good or outstanding by Ofsted

<i>RSC region</i>	<i>Percentage of free schools, UTCs and studio schools rated good or outstanding</i>	
	<i>September 2014</i>	<i>August 2015</i>
East Midlands & Humber	67	78
Lancashire & West Yorks	69	81
NE London & East	71	77
North	50	75
NW London & South Central	76	77
S London & South East	63	85
South West	67	56
West Midlands	58	60
England	69	75

Source: Edubase, Ofsted official statistics

Responsibility for school improvement rests with the academy trust or MAT and RSCs do not have a remit to intervene until the academy demonstrates that it does not have the capacity to improve.

RSCs have a range of measures available and will work with their HTB, the trust and other local system leaders, such as a local Teaching School Alliance to develop a tailored approach that leads to sustainable improvement. This may include commissioning appropriate support, issuing a pre-warning notice or warning notice. In the most serious cases the academy’s funding agreement may be terminated and a new sponsor identified to take on responsibility for the academy.

Figure 13 shows the percentage of academies in each RSC region whose results are below the floor standard by number of years. It should be noted that sponsored academies, which are included in this data, often have results that were significantly below the floor standards as maintained schools, and have complex and systemic challenges to address. Therefore, whilst these academies are steadily improving, they may continue to show results below the floor for a number of years.

Figure 13 - The percentage of academies (including free schools, UTCs and studio schools) that were below the floor standard at either key stage 2 or key stage 4, by the number of consecutive years.

RSC region	Percentage of academies below the floor, by number of consecutive years					
	September 2014			August 2015		
	One year	Two years	Three or more years	One year	Two years	Three or more years
East Midlands & Humber	7	1	0	4	3	1
Lancashire & West Yorks	11	1	1	5	4	1
NE London & East	5	2	1	3	1	1
North	6	1	0	4	2	1
NW London & South Central	5	0	2	4	3	0
S London & South East	5	1	0	6	2	1
South West	3	2	0	5	1	1
West Midlands	7	1	1	4	2	1
England	6	1	0	4	2	1

Sources: Edubase, KS2/4 performance tables

Figure 14 shows the number of academies rated by Ofsted as ‘inadequate’, split by length of time since that inspection result. The framework means that academies only have the opportunity to be removed from the inadequate Ofsted category after their next full Section 5 inspection. If the judgement is one of ‘special measures’ this is likely to take place after 24 months, whereas a judgement of ‘serious weakness’ will mean the full inspection should take place within 18 months (a series of regular Ofsted progress checks will take place in the meantime). It is therefore difficult to draw conclusions on the effectiveness of any support and interventions that take place during this period and prior to the re-inspection.

Figure 14 - The number and percentage of inadequate rated academies (including free schools, UTCs and SS) by the length of time since inspection.

RSC Regions	September 2014						August 2015					
	Total	0-12 months	12-15 months	15-18 months	18-24 months	24 months or more	Total	0-12 months	12-15 months	15-18 months	18-24 months	24 months or more
East Midlands & Humber	26	62%	8%	15%	15%	0%	28	50%	11%	7%	32%	0%
Lancashire & West Yorks	17	88%	0%	12%	0%	0%	23	61%	4%	17%	17%	0%
NE London & East North	13	69%	8%	8%	15%	0%	13	62%	15%	0%	23%	0%
NW London & South Central	6	67%	0%	17%	17%	0%	8	63%	13%	13%	13%	0%
S London & South East	14	71%	0%	21%	7%	0%	19	53%	21%	16%	11%	0%
South West	18	61%	6%	22%	11%	0%	13	46%	15%	8%	31%	0%
West Midlands	6	67%	17%	0%	0%	17%	12	83%	0%	8%	0%	8%
England	22	86%	9%	5%	0%	0%	38	63%	3%	11%	24%	0%
	122	72%	6%	13%	8%	1%	154	59%	9%	10%	21%	1%

Sources: Edubase, Official Ofsted statistics

Figure 15 – Number and percentage of academies receiving an inadequate inspection or below the floor standard in the first two years after opening

RSC Regions	September 2014				August 2015			
	Sponsored academies		Converter academies		Sponsored academies		Converter academies	
East Midlands & Humber	37	(21%)	37	(8%)	53	(25%)	39	(7%)
Lancashire & West Yorks	35	(26%)	14	(5%)	47	(28%)	15	(5%)
NE London & East	23	(14%)	11	(4%)	32	(15%)	13	(4%)
North	21	(39%)	4	(2%)	26	(43%)	8	(4%)
NW London & South Central	37	(25%)	9	(2%)	47	(30%)	10	(2%)
S London & South East	49	(22%)	11	(3%)	59	(24%)	14	(3%)
South West	22	(16%)	11	(3%)	32	(21%)	16	(3%)
West Midlands	32	(19%)	18	(5%)	44	(22%)	20	(5%)
England	256	(21%)	115	(4%)	340	(24%)	135	(4%)

Sources: Edubase, Official Ofsted statistics, KS2/4 Performance tables

Area 4: Providing advice and making recommendations in relation to free schools, UTCs and studio schools.

The final decision to approve a new free school application is made by Ministers, rather than the RSC. However, the RSCs work locally to encourage high quality applications and advise ministers on free school applications (including mainstream free schools, 16 to 19, special and alternative provision). They will make recommendations about which applications to reject before interview and which to approve into pre-opening once interviews have taken place.

Where proposals are received (via the LA) for the establishment of a new free school under the free school presumption route, the relevant RSC will make the decision about which proposer is most likely to deliver a high performing school.

Figure 16 - The number of free schools, studio schools and UTCs that opened between September 2014 and August 2015 by region.

<i>RSC Region</i>	<i>Free Schools</i>	<i>Studio Schools</i>	<i>UTC</i>	<i>Total</i>
East Midlands and Humber	8	2	1	11(10)*
NE London & East	14	0	5	19
Lancashire and West Yorks	10	2	1	13
North	3	2	1	6
South Central and North West London	23	2	2	27
S London & South East	12	1	1	14
South West	4	2	1	7
West Midlands	7	1	1	9
England	80	12	13	105

Source: Edubase

*1 free school, Dawes Lane Academy, closed in August 2015

There were two free school application waves from September 2014 to August 2015 – Wave 8 (closed Oct 2014) and Wave 9 (closed May 2015).

Figure 17 - The total number of free school applications for each wave and the resulting number of successful applications by region.

<i>RSC Region</i>	<i>Wave 8 applications</i>	<i>Successful Wave 8 applications</i>	<i>Wave 9 applications</i>	<i>Successful Wave 9 applications</i>
East Midlands & Humber	7	1	4	1
Lancashire & West Yorks	21	5	5	2
North	2	1	3	0
North East	23	11	9	1
London & East				
North West	36	12	16	6
London & South Central				
S London & South East	33	12	12	4
South West	14	5	5	1
West Midlands	12	2	7	3
England	148	49	61	18

Sources: GOV.UK publications: [free schools applicant information \(wave eight\)](#) ; [letters sent to successful free school applications \(wave 8\)](#); [free school applicant information \(wave nine\)](#);

Government announcement: [“we will not waver in free schools pledge” \(September 2015\)](#)

Annex B: Revised Key Performance Indicators

The KPIs below describe the progress measures for the regions for their second year: September 2015 to August 2016. Progress against the KPIs will be measured on an annual basis and will be reviewed regularly to align with the role of the RSCs.

Year 2 Key Performance Indicators

Percentage of schools that are academies.

Percentage of eligible schools issued with an Academy Order.

Percentage of academies, free schools, UTCs and studio schools below the floor, by number of years below the floor.

Percentage of inadequate rated academies, free schools, UTCs and studio schools that are in this category for more than 18 months.

Number and percentage of academies, free schools, UTCs and studio schools below the floor or Ofsted inadequate within first three years of being open.

Percentage of inadequate rated LA maintained schools issued with an academy order within the average time.

Percentage of approved sponsors that are active in the region.

Number of free schools, UTCs and studio schools open in the region.

Number of free schools, UTC and studio school applications approved in the region.

ISBN 978-1-4741-3205-3



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